



Reflections on Australia IYC National Conference

24 – 25 October 2012

These unique reflections are from David Griffiths made within days of the closure of the conference. Apart from any official record of the conference, they are the only other published reflections. David represented the Co-operative Federation of Victoria Ltd at the Conference and was at the time Secretary of the Co-operative Federation of Victoria Ltd and Co-operatives Australia. The reflections were originally published on the website <http://www.australia.coop>



Reports from the International Year of Co-operatives National Conference 24 - 25 October 2012, Glasshouse, Port Macquarie, New South Wales. Co-ops and credit unions play an important role in the regional economy in which Port Macquarie is located. The region has a long history of high value co-operatives dating back to the early 1900's - Norco Co-operative (1895), Hastings Co-operative Ltd (1916) and Nambucca River Co-operative (1903) - which has proven an effective system for market competitiveness particularly in agriculture. With Coffs Harbour Fisherman's Co-operative, the combined turnover of these four co-ops in 2010 was more than \$440m. Credit unions and building societies in the 6 LGA-MNC region hold assets of \$1.6 billion. The community has strong confidence in this financial sector with assets representing slightly over 10% of the state's total assets for this sector – significant, as the MNC portion of the state population is only 3.4%

Brief reports published on Australia.coop follow.

[Building a Better Australia](#)

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[The IYC Conference Workbook.](#)

IYC Conference - Better Australia



There was a book launch on 24 October 2012 - Building a Better Australia - 50 Stories of Co-operation. Building a Better Australia was written by Mark Derby and published by

the 2012 IYC Australia as a commemorative edition - briefly profiling mutuals, credit unions and co-operatives.

ACT (2) :Traditional Credit Union and West Belconnen Health Co-operative. New South Wales (26) : ABACUS, Aboriginal Medical Service, Alfalfa House, Australegal, Batlow Fruit, Boomalli Aboriginal Artists, Bathurst Wholefoods, Community First Mutual, Community Mutual, Dairy Farmers Milk Co-operative, Ethnic Child Care Families and Communities, Hastings Co-operative, Hunternet, Independent Liquor Group, Labour Co-operative, LOD Co-operative Haulage and Transport, Macleay Regional Co-operative, Norco Co-operative, Plumbers Supplies Coperative, St. George Cabs, Tantrum Theatre Co-operative, Tertiary Access Group Co-operative, Tranby Co-operative College, University Co-operative Bookshop. Westfund Health Insurance and Yenda Producers Co-operative..Queensland (3): Friends of the Earth, Maleny and Reverse Garbage. South Australia (3): Community Co-operative Store, Lenswood Cold Stores and Master Butchers Co-operative. Tasmania (1): Cohousing Victoria (8): bankmecu, BEST Community Development, CEHL, Fitzroy and Carlton Community Credit Co-operative, Hepburn Wind, Murray Goulburn Co-operative Co Ltd, Southern Quality Produce Co-operative Ltd, Terang Co-operative and Westgate Health Co-operative. Western Australia (8) : Capricorn, CBH, Cooperatives WA, Geraldton Fishermen's, Mount Barker Co-operative, Ravensdown, Royal Automobile Club of Western Australia and Sweeter Banana.

It is an invaluable reference source of the variety of co-operatives throughout Australia. The [Co-op Bookshop](#) is selling copies of the book.

IYC Conference - Clayton's Manual

On the 25 October 2012 the Australian Co-operatives Start-Up Manual was not released as anticipated. The manual is being prepared by Regional Development Australia Mid North Coast on behalf of NSW Fair Trading.

The Australian Co-operatives Start-Up Manual will be an important legacy of IYC 2012.

Peter Tregilgas, Executive Officer, Regional Development of Australia Mid North Coast and Don Jones, Assistant Commissioner, Compliance and Enforcement, NSW Fair Trading, had to explain that work was continuing on the Manual before it could be released.

There was no reference to the role of Co-operatives Victoria in initiating the proposal for a Co-op Start-Up Manual or that the Department of Primary Industry in Victoria had provided funds to Co-operatives Victoria to develop an online version and print copies of the completed Manual.

The intention is that the Australian Co-operatives Start-Up Manual will be simple, easy and coherent.

It is expected that the First Edition will be released at the end of November/early December and that there will be an extended period of consultation. Mr. Jones said that a fantastic job had been done on the First Edition being finalised but that it needed a contribution from the sector. This is an excellent decision that will allow the experience of co-operatives to be appropriately incorporated in a Second and Final Edition.



IYC Conference - Co-op Democracy



Chris Cooper, Senior Associate, International

Programs, UK Co-operative College, spoke about governance. Mr. Cooper said that when co-operatives fail it is not only a commercial failure - that it is also a democratic failure. He said that key issues for co-operative democracy is whether:

The co-operative is responsive to its members.

The members hold the board to account.

Directors fully understand their role.

Directors have the skills, knowledge and understanding needed by the co-operative.

He said that the co-operative principles were essential to an effective strategy and good corporate governance.

Booklets from the Co-operative College UK:

- [*Rochdale Pioneers Museum - a co-operative history*](#)
- [*Making a difference - how co-operatives help build a better world*](#)

IYC Conference - Co-op Films

Throughout the conference there was a Co-Screen - 2012 Australian Co-op Film Festival. There were seven films screened over the two-day conference - including The Other Way Home on the 25 October 2012. The Other Way Home was the only Victorian co-operative film.

There were 22 conference participants at the showing of The Other Way Home - 10 women and 12 men. Three participants were late in attending the viewing. A couple of other participants expressed disappointment at missing the film.

The other films were:

Lights on the Hill about the Maleny co-operatives in Queensland and the late Jill Jordan.
Director: Jess Begun

The Matriachs - three Matriachs talking about growing up on Ulaghundi Island, an Aboriginal Mission in the Clarence River. Director: Pauline Clague.

The High Road

When Colin Met Joyce

Surprise! Dinner in a Box

Food Fight



IYC Conference - Co-op Leadership Awards



During the conference there was an Inaugural Co-operative Leadership Awards Gala Dinner.

A guest speaker at the dinner was Maggie Beer AM who presented the Awards. In her address to the dinner, Maggie Beer said "I'm not here to talk about co-operatives" and she didn't but she did talk about what is important to co-operatives - agricultural land, not enough Australians having a thought about where our food comes from, the cause and effect of not supporting Australian growers, support for farmers means supporting freshness and diversity, the need to sustain farmers, their families and their communities.

On the 24 October 2012 it was announced that there were four nominees for the 2012 Co-operative Leadership Awards Legacy - Joyce Clague, Bronwyn Bancroft, Race Mathews, Linda Seaborn and Shirley Faram. Two of the nominees, therefore, were from co-operatives that are members of Co-operatives Victoria - Shirley Faram (SouthEast Housing Co-operative Ltd) and Linda Seaborn (Cohousing).

At the dinner on the 25 October 2012 the nominees had become a short-list of three - Joyce Clague, Race Mathews and Shirley Faram. In announcing the Awards, Cheryl Kernot said that "all nominees were of a very high calibre."

The Leadership Ambassador Award was made to Joyce Clague. The Lasting Legacy Award was made to Race Mathews. Shirley Faram was awarded a Highly Commended Certificate 2012 - granted in recognition of her dedication to the co-operative model applying to affordable housing in Victoria.

The full Leadership Awards list:

Future Leaders Award

- Steven Lynch, bankmecu: Future Leader of the Year Award
- Sarah Taylor, White Circles Global Trading: Highly commended certificate
- Kristy Walters, Friends of the Earth Brisbane: Highly commended certificate

Co-operative Legacy Award

- Dr Race Mathews, former politician and author: Lasting Legacy Award
- Joyce Clague MBE, Woolitji Co-operative: Leadership Ambassador Award
- Shirley Faram, South East Housing Co-operative: Highly Commended Certificate

Bottom pix (L to R) Maggie Beer with Race Mathews, Joyce Clague and Shirley Faram:





IYC Conference - Mapping

The **Australia** Institute
Research that matters.

Who knew Australians were so co-operative?

The size and scope of mutually owned co-ops in Australia

Institute Paper 10
October 2012
ISSN 1836-8948

Richard Denniss and David Baker



Institute Paper

On the 25 October 2012 [The Australian Institute](#) released its report on co-operatives and mutuals throughout Australia - concluding that 79% of people are members of co-operatives but that only three in ten Australians could name a co-operative or mutually owned enterprise and only 16% believed that they are a member of one, 42% said they were not a member and 42% said that they were not sure. The date and size of the survey sample and the questions to ascertain membership rate are not recorded in the report.

Subsequently, on 1 November 2011 The Australian Institute clarified by advising that the survey of public awareness and membership of the sector was conducted in June 2012 and that the sample size was 1,018. The survey included a number of questions to ascertain membership rate. A direct question was asked: How many co-operatives or mutuals are you a member of or do business with? There were also three questions about membership of (i) roadside assistance organisations (ii) industry super-funds and (iii) primary financial institution.

The Australian Institute also surveyed co-operatives and mutually owned enterprises to examine whether community perceptions of the sector and the sector's perception of itself were broadly compatible. There were 140 survey responses from approximately 750 requests emailed.

The Institute concludes that there is an opportunity for co-operatives and mutuals to promote the advantages to consumers and the community of their ownership structures and that there is a need to better explain their ownership structure and benefits and the contribution that mutuals and co-ops make to the community.

"the fact that so many Australians are members of co-ops and mutuals yet so few are aware of this fact is both a challenge and an opportunity to the sector." (p4)

The work was funded by [ABACUS Australian Mutuals](#) and [bankmecu](#).

Who knew Australians were so co-operative? The size and scope of mutually owned co-ops in Australia

Richard Denniss and David Baker
Institute Paper 10
October 2012
ISBN 1836-8948



IYC Conference - Co-op ThrowUp



The Hon Luke Hartsuyker, MP, Federal Member for Cowper, Shadow Minister for Regional Communications, Youth & Sport and the Deputy Manager of Opposition Business in the House of Representatives, said that "every business and business structure is under challenge and it changes every day."

He said that co-operatives had stood the test of time and that Government should make sure that co-operatives are not at a competitive disadvantage.

Mr. Hartsuyker urged the importance of "keeping lines of communication with government", "it is an ongoing process." "Maintain an ongoing dialogue," he urged "You have to repeat your message to the politicians what you are about until you want to throw-up."

He said co-operatives should aim for a situation that when there are proposed new policies co-operatives are consulted on the impact of the policies on co-operatives.



IYC Conference - Co-operative Values



Chris Cooper, Senior Associate, International Programs, the UK Co-operative College, argued that from the 1990's co-operative values had been a driver for the renewal of co-operatives, the establishment of new generation co-operatives and co-operative growth.

He provided evidence of this co-operative growth:

Co-op Bank - since January 2012 a 61% increase in personal and 21% increase in business accounts.

Co-op movement as a whole - a 19.5% increase in turnover in 2011.

Co-operative membership - increase of 19.7% between 2008 - 2011.

Co-op Bank - increase in branches from 109 in 2009 to 1079 in 2012.

Co-operative Schools - an increase from zero to 335 in four years to 2012.

Credit unions - an increase in membership from 325,000 in 2002 to one million in 2012.

Read Chris Cooper's paper [Values as a driver for business success](#).

Booklets from the Co-operative College UK:

- [Rochdale Pioneers Museum - a co-operative history](#)
- [Making a difference - how co-operatives help build a better world](#)

IYC Conference - Membership Loyalty

Professor Tim Mazzarol, Winthrop Professor, UWA Business School, spoke about membership and co-operatives.

He argued that members of co-operatives wear at least four hats - the patron hat, the investor hat, the owner hat and the community member hat.

He briefly reported on 29 case studies of co-operatives in Australia and overseas and suggested that emotional values and affected community values were the most important to members of co-operatives e.g. I am proud of my membership, seeing themselves as members of a larger community and feeling like owners.

Professor Tim Mazzarol's presentation on '[Building Strong Resilient and Successful Co-ops](#)' and an opinion piece on [co-ops as an alternative economic paradigm](#).



IYC Conference - Mondragon

Mikel Lezamiz, Director of Co-operative Dissemination, Mondragon Corporation, spoke about the extent and nature of the Mondragon Co-operative Corporation in the Basque region of Spain.

He said that there were 120 co-operatives - 120 industrial, 1 credit, 1 consumer, 4 agricultural, 8 education, 14 research and 5 services.

The Hon. Dr Race Mathews, co-operative historian and author, also reported to the conference that between 2006 and 2007 annual sales had increased by 12.4% to \$US 20 billion and employment had increased by 24% from 83,601 to 103,731.



IYC Conference - Next Steps



At the conclusion of the conference Mr. Greg Wall addressed next steps, Mr. Wall is CEO Capricorn Group and Chair National IYC 2012 Secretariat and Steering Committee.

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He emphasised that the value of the year was what we can do to take the sector beyond 2012.

He said that there would be follow-up through the IYC Steering Committee and the Secretariat and the six Founding Partners of the Social Business Council - stressing that the name was 'not fixed in stone.' He stressed the need for a co-ordinating body. At the beginning of the Conference Mr. Wall had said that a Social Business Council would "support and not replace State Co-operative Federations." He said there was a need for a co-operative body "similar to the Business Council of Australia."

Mr. Wall said "We want to hear from you" and he pleaded "please contact us" because "we need to act and do." He urged co-operatives to inform their members on the need for action.

He also said that the IYC 2012 web site would continue to be a clearing-house and that the email newsletter would continue.

Mr. Wall's assurances and invitation are welcome as the focus of next steps before the conference has been on persuading large co-operatives and mutuals to fund work on a Social Business Council study and there was a private meeting of Founding Partners during the conference. While there has always been the prospect of smaller co-operatives and mutuals being subsequently consulted on a fait accompli, the terms of reference of the study could

preclude necessary variables for a meaningful consultation. The terms of reference could, for example, be based on a Social Business Council of CEOs i.e. the membership basis for the Business Council of Australia. This is not the only option that needs consideration and debate.

IYC Conference - Outside CEOs



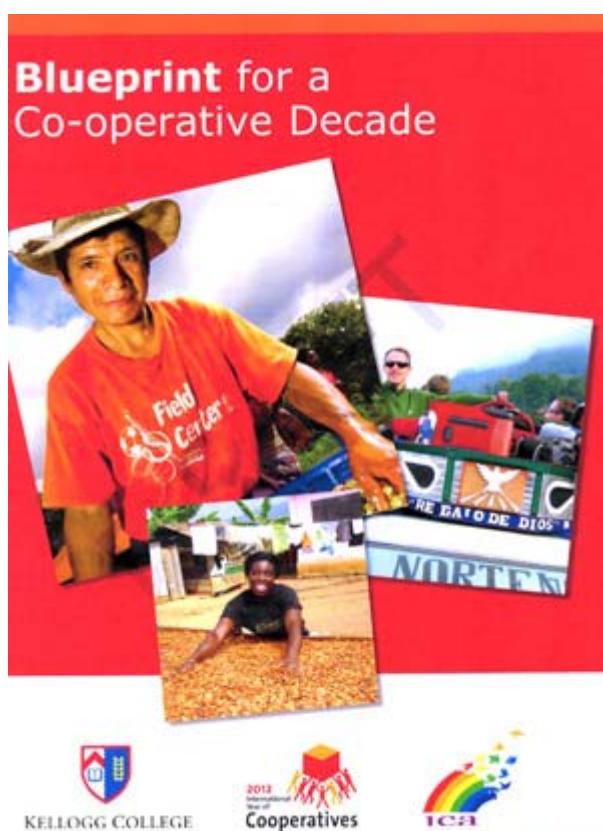
Jack Wilkinson, Former President, International Federation of Agricultural Producers (IFAP) and a member of the United Nations Advisory Committee on International Year of Co-operatives 2012 said that years ago members of co-operatives knew why they were co-operators and why there were co-operatives - they were delivering a necessary service.

He asked, therefore, why this had unravelled within a relatively short period of time. Why did co-operatives demutualise? What is the problem we have as co-ops?

He said that the "Achilles heel is when we get large and bring in outside CEOs who don't know how to run a co-operative." He said that these CEOs did what they were taught at business school and that "they didn't think they were doing anything wrong. They were doing business as business.



IYC Conference - Processes and Outcomes



The achievements of IYC 2012 Australia were remarkable for as Mr. Greg Wall told the conference there had been a "shoestring budget" based on industry funding and no Government funding. The Industry Fund raised about \$200,000 when the target was \$600,000. Despite this, the achievements of the year have included:

A collectable coin launch in November 2011.

A commemorative stamp sheet launch in 2012.

Co-operatives being featured in the Australian Bureau of Statistics Year Book 2012.

The National IYC Conference, 24-25 October 2012
The Co-screen 2012 Australian Co-op Film Festival
The 2012 Co-operative Leadership Awards
The Building a Better Australia book launch
The Co-operative Youth Summit

As Mr. Wall said "the shadow we cast was greater than the budget we had." Mr. Wall paid tribute to the work of IYC Director Melina Morrison and, indeed, Melina's shadow, and probably year-long lack of sleep, cast a greater shadow than anyone else during 2012.

There were about 220 registrations for the conference but the number of participants in plenary meetings had decreased to about 140 on the morning of the 25 October 2012 and down to about 80 at the final session. It was a conference that could have attracted more participants but the registration fee and the expense involved in getting to the location precluded further participation for others who would have otherwise attended. While the registration fee was waived on request, this was not publicly known.

Of 65 chairs, individual or panel speakers there were approximately 52 males and 13 females. The program was tight with little provision for audience questions and contributions to a debate. The exception was the Youth Summit. There was passion at the Youth Summit but very little during the rest of the conference sessions - partly reflecting who was invited to make individual presentations and join panels.

The importance of co-operative values and principles to co-operatives varied between speakers with only a few realising their crucial significance to the co-operative difference. Most members of panels refused to stick to panel topics and, instead, said what they wanted to say - while they had the opportunity. Too many panel members did not seem to understand the nature of co-operation as explained, for example, by Alphonse Desjardins in *The Cooperative People's Bank - La Caisse Populaire* (1914): "Money is but a secondary consideration, and not, as elsewhere, a primary one, because the people's bank is above all an institution aiming at the betterment of its members rather than at mere profits - an association of honest individuals rather than one of mere funds like a joint stock company."(p 10) Yet, there was a significant interest in values with over 80 people attending each of the value-based workshops of the UK Co-operative College's Chris Cooper.

It tended to be a defensive conference - defending the normality, competitiveness and sameness of the co-operative business to private business. It was not unusual, therefore, for a panel member to talk about the necessity of profit - rather than co-operative values and principles. The conference structure, aided by most speakers, tended not to affirm the unique co-operative difference and this was reinforced by too many individual speakers who did not seem to understand or articulate the co-operative difference. Defensiveness will not work - advocacy for the co-operative option has to be clear, coherent and passionate and based on the philosophical values and principles of co-operation.

Unlike the 2012 International Summit of Cooperatives that was held in Quebec City from October 8 to 11, bringing together almost 2 800 representatives and future leaders of cooperatives and mutuals from 91 countries, no declaration emerged based on discussions that had been taking place since the beginning of the conference. But, then, the conference was planned not to produce a declaration. The Quebec Declaration was presented in

Manchester at the end of October during a special event organized by the International Co-operative Alliance, and will also be presented at the United Nations by Monique F. Leroux, Chair of the Board, President, and CEO of Desjardins Group. While this opportunity has been missed except for what emerged from the Youth Summit, there is now an opportunity for broad sector involvement in discussions beyond 2012 - and beyond mechanisms. In **Credit Union North America**, Roy F. Bergengren warned in 1940 : "We can only build permanently as we build our foundations deep and strong. Those who created the foundations for the cathedral did something quite as beautiful as did the master craftsman who designed the windows. Unless the builder of the foundation does his work well, the beautiful superstructure must always lack permanence." (pp 282-283)

Read the [Youth Summit Report](#) from the National Co-operative Conference. The declaration produced by the Youth Summit was presented at an invitation-only event the day after the conference on 26 October 2012. If the young co-operators were disappointed with the attendance from older co-operators, then, this was because it was not an open event.

A number of key reports were presented to the Quebec 2012 International Summit:

Ipsos Marketing and UQAM The Co-operative Movement A global research study on perceptions towards co-operatives, 2012
http://www.crpcm.uqam.ca/Pages/ipsos_results.aspx

The Socio-Economic Impact of Cooperatives and Mutuals
When the past inspires the future: the contribution of cooperatives and mutuals to making a better world
Institut de recherche et d'éducation pour les coopératives et les mutuelles de l'Université de Sherbrooke (IRECUS) appreciates
2012

<http://www.usherbrooke.ca/irecus/recherche/impact-socio-economique-des-cooperatives-et-des-mutuelles>

McKinsey on Cooperatives
McKinsey & Company
2012

Research was partially underwritten by Desjardins Group, Credit Agricole and CIBP. The research, however, was conducted solely by McKinsey & Company.

http://www.mckinsey.com/client_service/strategy/latest_thinking/mckinsey_on_cooperatives

It would have been useful if these reports had been made available to the National Conference.

It is also puzzling why the International Co-operative Alliance's draft Blueprint for a Co-operative Decade was not made known and available to participants at Australia's National Conference. The draft paper was written under the guidance of the Planning Work Group of the International Co-operative Alliance by Cliff Mills and Will Davies, Centre for Mutual and Employee-owned Business, University of Oxford. The purpose of the document is for the co-operative form of business by 2020 to become:

The acknowledged leader in economic, social and environmental sustainability
The model preferred by people
The fastest growing form of enterprise

Chapter 1 (Participation) and 2 (Sustainability) explain why co-operatives offer a better way. Chapter 3 sets out the co-operative proposition for today: what it means to be a co-operative and what are the defining characteristics of "irreducible core". Chapters 4 and 5 consider what facilitates or inhibits co-operatives.

The availability of the Blueprint would have informed debate at the National Conference and would have enabled Australian co-operators and co-operatives to relate to international thinking and developments on how to go beyond 2012.

The Blueprint for a Co-operative Decade was discussed at the International Co-operative Alliance's Extraordinary General Assembly in Manchester on 31 October 2012 and adopted. Australia should now develop its own Blueprint for a Co-operative Decade which will include the future structure of the co-operative movement. Instead, the assumption is that structure precedes blueprint rather than being part of a blueprint.